



AGENDA TITLE: Set Public Hearing for July 21, 2010 to Consider Adopting Resolution Setting

Usage-Based and Flat Water and Wastewater Rates for Residential, Commercial

and Industrial Customers and Meter Installation Charges

MEETING DATE: May 19, 2010

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Set public hearing for July 21, 2010 to consider adopting a

resolution setting usage-based and flat water and wastewater rates for residential, commercial and industrial customers and meter

installation charges.

BACKGROUND INFORMATION: The City Council has made numerous water and wastewater rate

decisions over the past year, as summarized below. The

recommended action at the July 21, 2010 City Council meeting will

be to implement and/or modify these previous actions.

May 20, 2009 City Council waived Consumer Price Index (CPI) adjustment of water rates based upon a lack of new information supporting neither an increase nor a decrease.

<u>July 15, 2009</u> City Council approved wastewater rate increases of 25 percent effective July 16, 2009; 20 percent effective July 1, 2010; 10 percent effective July 1, 2011; and 5 percent effective July 1, 2012. Also, the City Council approved an Engineering News Record – 20 Cities Average (ENR) based indexing of wastewater rates beginning with FY 2012/13. A Proposition 218 procedure was conducted that validated these actions.

<u>January 6, 2010</u> City Council received advisory usage-based water and wastewater residential rates for the purpose of research and customer billing comparisons, as the City transitions to a metered water system to comply with State law.

March 17, 2010 City Council approved property owner charges for five classes of meter installation types ranging from \$300 to \$1,200 and two optional payment plans, one-time or seven-year low-interest installments.

Staff recommends the following actions be taken following the Public Hearing on July 21, 2010.

Water Rates

1. Change the date for implementing the annual rate adjustment to January 1 for each of the five years (maximum timeframe allowed by Proposition 218) following January 1, 2011. This change is recommended so that rate changes occur at the lowest usage time of the year.

APPROVED: Konfadt Bartlam, Interim City Manager

Set Public Hearing for July 21, 2010 to Consider Adopting Resolution Setting Usage-Based and Flat Water and Wastewater Rates for Residential, Commercial and Industrial Customers and Meter Installation Charges
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- 2. Change the water rate adjustment index from the CPI to the ENR, effective January 1, 2012, because this index better reflects the combined inflationary effects of personnel, materials and energy costs on the total operations of the utility as was done for the Wastewater Rates on July 15,2010. The CPI adjustment for the period December 2007 through December 2008 was waived by City Council on May 20, 2009. The CPI-based projected adjustment for the period December 2008 through December 2010 is 5.98 percent. The ENR-based projected adjustment for the period December 2008 through December 2010 is 2.10 percent.
- 3. Adopt usage-based and flat water rates for residential customers as presented in Exhibit A to become effective January 1, 2011. These are the same residential rates received at the January 6, 2010 City Council meeting but with a 2.00 percent inflationary increase added to the flat rates, base rates and each tier. An additional two years deferral of rate adjustment is not recommended but smaller annual adjustments are recommended to avoid larger catch-up adjustments in the future, as was the case with the Wastewater Rates.
- 4. Change the multi-family and nonresidential usage-based rate structure for meter sizes 1 inch and smaller to establish parity with the residential customers, as presented in Exhibit A. For these multi-family and nonresidential customers, the monthly base rate would decrease by \$3.39 to \$5.42 per month for meter sizes 5/8-inch through I-inch. There is a single usage tier for multi-family and nonresidential customers and it is recommended to increase by \$0.081 per hundred cubic feet (748 gallons) from \$0.789 to \$0.86 per hundred cubic feet.
- 5. Eliminate the "Infrastructure" and "PCE/TCE" line item on the water utility bills, as was done for the wastewater utility bills on July 15, 2009.
- 6. Adopt the meter installation charge schedule presented in Exhibit B. The field work to identify the specific installation class for every parcel has begun. The property owners will be advised of their installation class by spring 2011 at which time lump sum payments will be accepted through June 30, 2011. The seven-year installment billings will be sent to property owners beginning July 2011.

As previously presented to the City Council, analysis of the water rates has been focused upon setting usage-based residential rates in support of the Water Meter Program. Analysis of the commercial/industrial rate structure confirms these rates are too low but no corrective action is recommended at this time. Further analysis is required.

Wastewater Rates

Adopt usage-based and flat monthly wastewater rates for residential and nonresidential
customers as presented in Exhibit C effective immediately. For customers paying a usagebased water bill, the wastewater monthly rate will be determined based upon their average
monthly water usage from the previous December, January, and February. Wastewater
monthly rates will be recalculated each year and put into effect beginning with July billings
each subsequent year.

Proposition 218 requires that notifications be sent to the property owners and utility customers 45 days prior to the public hearing. These notices will be sent once the public hearing date has been set. Opposition to the rate changes is limited to the following actions:

1. For the water rates, establishing the ENR index as the basis of future annual rate adjustments, implementing the 2.00 percent increase, adopting the usage-based rate structure and adopting the meter installation charge schedule.

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2. For the wastewater rates, adopting the usage-based rate structure.

<u>Revenue Neutrality:</u> Both the water and wastewater usage-based rates are calculated to generate the same revenue as the flat rates from the prior year, but they include updated projections of revenues and expenditures for the next one to five years. The rates recommended to become effective immediately for wastewater and on January 1, 2011 for water reflect this.

<u>Water Utility Model:</u> City Council approved a professional services agreement with The Reed Group on August 6, 2008, for the preparation of a water utility financial model. Although new to Lodi, this is a common tool used to track revenues and expenditures for a utility. The model has been used to forecast the performance of the utility through FY 2019/20 while incorporating substantial capital investments including the water meter program, infrastructure replacement program, property owner meter payments, and PCE/TCE remediation costs. The recommended rates presented in Exhibit A were developed using this tool.

<u>Wastewater Utility Model:</u> The Reed Group has recently completed development of a new Wastewater Utility Financial Model. The new model is essentially the same as before but assumptions have been renewed and revenue and expense information has been updated based upon actual. The recommended rates presented in Exhibit C were developed using this tool.

Water and Wastewater Capacity Charge: The capacity charge (development impact fee) for Water and Wastewater are not part of the rate structure for the utility. These charges will be updated along with the Lodi Development Impact Fee Program that is expected to be completed within 18 months. Final costs for the White Slough expansion, future White Slough expansion costs, and the Water Treatment Plant costs will be incorporated into the capacity charges.

FISCAL IMPACT: Increased revenues to the water and wastewater utility required to keep up

with cost of service increases and new mandated costs.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin Public Works Director

FWS/pmf Attachments

cc: Steve Mann, Information Systems Manager

Charlie Swimley, Deputy Public Works Director - Utilities

Exhibit City of Lodi -- Water Utility Current and Proposed Water Rates

Current and Proposed Water Ra	1103			
	Cui	rrent (1)	Ja	n. 2011
Flat Rates (\$/month)				
Percent Increase				2
Single Family Residential Uni	t (\$/	month)		
1 Bedroom	\$	27.98	\$	28.54
2 Bedroom	\$	33.61	\$	34.28
3 Bedroom	\$	40.28	\$ \$	41.09
4 Bedroom	\$ \$ \$ \$ \$ \$	48.40	\$	49.37
5 Bedroom	\$	58.06	\$	59.22
6 Bedroom	\$	69.67	\$	71.06
7 Bedroom	\$	83.58	\$	85.25
Multi-Family Residential Unit	(\$/m	nonth)		
1 Bedroom	\$	24.02	\$	24.50
2 Bedroom	\$	28.81	\$	29.39
3 Bedroom	\$	34.57	\$	35.26
Metered Water Rates				
Service Charge (\$/month)				
Single Family Residential (2)				
Up to 3/4" Meter	\$	22.25	\$	22.70
1" Meter		36.15	\$	36.85
1 1/2" Meter	\$ \$	70.60	\$	72.00
2" Meter	\$	112.10	\$	114.35
Multi-Family and Non-Resident	ial 3)		
5/8" Meter	\$	25.64	\$	22.70
3/4" Meter	\$	28.17	\$	22.70
1" Meter		42.27	\$	36.85
11/2" Meter	\$ \$ \$	56.35	\$	57.50
2" Meter	\$	70.45	\$	71.85
3" Meter	\$	98.63	\$	100.60
4" Meter	\$	126.80	\$	129.35
6" Meter	\$	183.16	\$	186.80
8" Meter	\$	239.48	\$	244.30
10" Meter	\$	295.83	\$	301.75
Water Usage Rates (\$/CCF)				
Single Family Residential (2)				
Tier 1 - 0 to 10 CCF/month	\$	0.86	\$	0.88
Tier 2 - 11 to 50 CCF/month	\$	1.29	\$	1.32
Tier 3 - Over 50 CCF/month	\$	1.71	\$	1.74
Multi-Family and Non-Residenti	al (3	3)		
All Water Usage	\$	0.789	\$	0.88

⁽¹⁾ Revised July 1, 2008.

⁽²⁾ Current residential metered rates are revenue neutral and were approved for comparative billing purposes only.

⁽³⁾ Proposed multi-family and non-residential rates improve equity with single family water rates

WATER METER INSTALLATION CHARGES

Class	Description	Charge	Monthly Payment	Total of Payments
1	Meter and ERT	\$300	\$3.76	\$315.84
2	Nonstandard Meter Box	\$450	\$5.65	\$474.60
3	Rich Box in Front Yard	\$1,100	\$13.80	\$1,159.20
4	Rich Box in Rear Yard	\$1,200	\$15.06	\$1,265.04
5	New Meter Service on New Main	\$1,200	\$15.06	\$1,265.04

Exhibit
City of Lodi -- Wastewater Utility
Current and Proposed Wastewater Rates

Current and Proposed Wastewater Rates									
	CL	ırrent (1)	J	uly 2010					
Residential									
Percent Increase				12					
Flat Rates (\$/month)									
1 Bedroom	\$	20.81	\$	23.31					
2 Bedroom	\$	27.74	\$	31.07					
3 Bedroom	\$	34.68	\$	38.84					
4 Bedroom	\$	41.61	\$	46.60					
5 Bedroom	\$	48.55	\$	54.38					
6 Bedroom	\$	55.48	\$	62.14					
7 Bedroom	\$	62.42	\$	69.91					
Usage-Based Rates (2)									
Service Charge (\$/month)	\$	18.95	\$	21.22					
Usage Charge (\$/CCF) (3)	\$	2.15	\$	2.41					
Non-Residential (\$/month)									
Moderate Strength (per SSU)	\$	27.74	\$	31.07					
High Strength									
Flow (per MG, annual basis)	\$	2,808.88	\$	3,145.95					
BOD (per 1,000 lbs, annual basis)	\$	463.54	\$	519.16					
SS (per 1,000 lbs, annual basis)	\$	289.83	\$	324.61					
Grease Interceptor & Septic Holding Tar	ı								
Waste within City Limits (per 1,000 gal.		245.44	\$	274.89					
waste within City Limits (per 1,000 gai.	Ф	245.44	Ф	274.09					
Septic (only) Holding Tank Waste									
Outside City Limits (per 1,000 gal.)	\$	521.03	\$	583.55					
D:	Φ.	057.00	•	000 74					
Disposal to Storm Drain System (per MC	Þ	257.80	\$	288.74					
Disposal to Industrial System (4)									
Flow (per MG, annual basis)	\$	2,218.78	\$	2,485.03					
BOD (per 1,000 lbs, annual basis)	\$	20.34	\$	22.78					
,	Ф			270.25					
Winery Wastewater (per 1,000 gal.)	\$	248.53	\$	278.35					

- (1) Revised July 16, 2009.
- (2) Current revenue neutral rates were approved for comparative billing purposes only.
- (3) Winter water usage determined as average monthly usage from December through February.
- (4) 2007 Industrial System rates are shown. Rates are calculated annually per LMC Sec. 13.12.210.

City of Lodi -- Wastewater Utility
Current and Proposed Water Usage-Based Residential Wastewater Rates

Current and Proposed Water C	Jug	C-Dasca INC	,310	Cittai Was
	Cu	rrent (1)	Ju	ıly 2010
Monthly Fixed Service Charge	\$	18.95	\$	21.22
Wastewater Flow Charge	\$	2.15	\$	2.41
Based on Winter Water Us	age	(2)		
Monthly Wastewater Bills (for	vori	oue ueagae	1	
	vari	ous usages	,	
Winter Water Use (CCF)	Φ.	10.05	Φ.	04.00
0	\$	18.95	\$	21.22
1	\$	21.10	\$	23.63
2	\$	23.25	\$	26.04
3	\$	25.40	\$	28.45
4	\$	27.55	\$	30.86
5	\$	29.70	\$	33.27
6	\$	31.85	\$	35.68
7	\$	34.00	\$	38.09
8	\$	36.15	\$	40.50
9	\$	38.30	\$	42.91
10	\$	40.45	\$	45.32
11	\$	42.60	\$	47.73
12	\$	44.75	\$	50.14
13	\$	46.90	\$	52.55
14	\$	49.05	\$	54.96
15	\$	51.20	\$	57.37
16	\$	53.35	\$	59.78
17	\$	55.50	\$	62.19
18	\$	57.65	\$	64.60
19	\$	59.80	\$	67.01
20	\$	61.95	\$	69.42
-	•		•	- · · · -

- (1) Estimated to be revenue neutral relative to the wastewater rates implemented in July 2009.
- (2) Winter water usage determined as average monthly usage from December through February.

Special Notes:

- Sample is only about 5% of residential accounts
- Sample is skewed to larger homes (more bedrooms)
- To compensate, calculation is based on minimum winter usage rather than average winter usage

MEDIA ADVISORY FOR APTA MEMBERS To Be Issued Before June 17,2010 – 5th Annual National Dump the Pump Day

FIFTH ANNUAL NATIONAL DUMP THE PUMP DAY TO BE HELD ON JUNE 17 Dump the Pump. Save Money. Ride Transit.

LODI, CA • With the economic recession still in effect and with the return of high gas prices, City of Lodi's GrapeLine announced today that it will join with other public transportation systems nationwide to participate in the Fifth Annual National Dump the Pump Day on Thursday, June 17. The slogan of this year's National Dump the Pump Day is "Dump the Pump. Save Money. Ride Transit."

Sponsored by the American Public Transportation Association (APTA) the 2010 National Dump the Pump Day is a day that encourages people to ride public transportation and save money, instead of driving a car. Started in June 2006 when gas prices were \$3 per gallon, this national day emphasizes that public transportation is a great travel option that also helps people save money.

In this economic climate, saving money is on everyone's minds and public transportation is the quickest way to beat high gas prices. According to the latest APTA Transit Savings Report (put in link), individuals in a two person household can save an average of more than \$9,000 annually by downsizing to one car.

WHAT: 5th Annual National Dump the Pump Day

WHERE: at City of Lodi's GrapeLine and transit agencies nationwide

WHEN: Thursday, June 17, 2010

To find out more about the GrapeLine's Dump the Pump activities go to www.lodi.gov/transit or call the City of Lodi's Transit Department at 209.333.6706.

Exhibit City of Lodi -- Wastewater Utility **Current and Proposed Wastewater Rates**

Current and Proposed Wastewater F		urrent (1)		
Residential		(1)	 uly 2010	
PercentIncrease			12	
Flat Rates (\$/month)				
1 Bedroom	\$	20.81	\$ 23.31	\$ 23.30
2 Bedroom	\$	27.74	\$ 31.07	
3 Bedroom	\$ \$ \$ \$ \$	34.68	\$ 38.84	
4 Bedroom	\$	41.61	\$ 46.61	\$ 46.60
5 Bedroom	\$	48.55	\$ 54.37	\$ 54.38
6 Bedroom	\$	55.48	\$ 62.14	
7 Bedroom	\$	62.42	\$ 69.91	
Usage-Based Rates (2)				
Service Charge (\$/month)	\$	18.95	\$ 21.22	
Usage Charge (\$/CCF) (3)	\$	2.15	\$ 2.41	
Non-Residential (\$/month)				
Moderate Strength (per SSU)	\$	27.74	\$ 31.07	
High Strength				
Flow (per MG, annual basis)	\$	2,808.88	\$ 3,145.95	
BOD (per 1,000 lbs, annual basis)	\$	463.54	\$ 519.16	
SS (per 1,000 lbs, annual basis)	\$	289.83	\$ 324.61	
Grease Interceptor & Septic Holding Tan	k			
Waste within City Limits (per 1,000 gal.		245.44	\$ 274.89	
Septic (only) Holding Tank Waste				
Outside City Limits (per 1,000 gal.)	\$	521.03	\$ 583.55	
Disposal to Storm Drain System (per MC	\$	257.80	\$ 288.74	
Disposal to Industrial System (4)				
Flow (per MG, annual basis)	\$	2,218.78	\$ 2,485.03	
BOD (per 1,000 lbs, annual basis)	\$	20.34	\$ 22.78	
Winery Wastewater (per 1,000 gal.)	\$	248.53	\$ 278.35	

- (1) Revised July 16, 2009.
- (2) Current revenue neutral rates were approved for comparative billing purposes only.
- (3) Winter water usage determined as average monthly usage from December through February.

 (4) 2007 Industrial System rates are shown. Rates are calculated annually per LMC Sec. 13.12.210.



Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI P. O. BOX 3006 LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER RESOLUTION SETTING

USAGE-BASED AND FLAT WATER AND WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL

CUSTOMERS

PUBLISH DATE: SATURDAY, JUNE 26,2010

SATURDAY, JULY 10,2010

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK

LNS ACCT. #0510052 City of Lodi P.O. Box 3006

Lodi, CA 95241-1910

BATED: FRIDAY, JUNE 11, 2010

ORDERED BY: RANDI JOHL

CITY CLERK

JEMNIFER M. ROBISON. CMC

ASSISTANT CITY CLERK

MARIA BECERRA ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

	Faxed to the Sentinel at 369-1084 at	(time) O n	(date)(pages)	
LNS	Phoned to confirmreceipt	t of all pages at ——(time)	CFMB J M R (initials)	



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER RESOLUTION SETTING USAGE-BASED AND FLAT WATER AND WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

On Friday, June 11, 2010, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider resolution setting usage-based and flat water and wastewater rates for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library Lodi City Clerk's Office Lodi City Hall Lobby Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

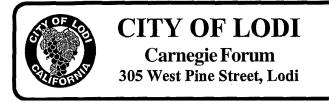
Executed on June 11, 2010, at Lodi, California.

ORDERED BY:

RANDI JOHL CITY CLERK

JÉMNIFER M. ROBISON, CMC ASSISTANT CITY CLERK

MARIA BECERRA ADMINISTRATIVE CLERK



Date: July 21, 2010

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk Telephone: (209) 333-6702



NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, pursuant to Government Code §54354.5, that on **Wednesday, July 21, 2010,** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Resolution setting usage-based and flat water and wastewater rates for residential, commercial, and industrial customers (as identified on the attached Exhibit A and B).

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. **All** interested persons are invited to present their views and comments on this matter. Written protests may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk at, or prior to, the public hearing.

At said hearing, any person interested, including any person owning property in the City, may be heard as to whether said charges are discriminatory or excessive, or will not be sufficient under Government Code Section 54515, or will not comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the respective enterprise, or will not comply with the provisions of Title 5, Division 2, Part 1, Chapter 6 "The Revenue Bond Law" of the Government Code, or an any other matter related to the proposed charges or their method of adoption.

By Order of the Lodi City Council:

Randi Johl City Clerk

Dated: May 19,2010

peroved as to form

City Attorney

RESOLUTION NO. 2010-

A RESOLUTION OF THE LODI CITY COUNCIL SETTING USAGE-BASED AND FLAT WATER AND WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

WHEREAS, the Council of the City of Lodi finds as follows:

- 1. The City of Lodi provides water supply and wastewater disposal service to its citizens;
- The City charges customers of these utilities a charge to fund the ongoing operation and maintenance of the water supply and wastewater disposal service;
- On July 15, 2009, Council approved wastewater rate increases of 25 percent effective July 16, 2009; 20 percent effective July 1, 2010; 10 percent effective July 1, 2011; and 5 percent effective July 1, 2012. Council also approved an Engineering News Record – 20 Cities Average (ENR) based indexing of wastewater rates beginning with FY 2012/13. A proposition 218 procedure was conducted that validated these actions;
- 4. On January 6, 2010, Council received advisory usage-based water and wastewater residential rates for the purpose of research and customer billing comparisons, as the City transitions to a metered water system to comply with State law;
- 5. Staff recommends changing the date for implementing the annual water rate adjustment to January 1 for each of the five years following January 1, 2011. This change is recommended so that rate changes occur at the lowest usage time of the year;
- 6. Staff recommends changing the water rate adjustment index from the Consumer Price Index to the ENR, effective January 1, 2012, because this index better reflects the combined inflationary effects of personnel, materials and energy costs on the total operations of the water utility;
- 7. Staff recommends adopting usage-based and flat water rates for residential customers as presented in Exhibit A to become effective January 1,2011;
- 8. Staff recommends changing the multi-family and nonresidential usagebased rate structure for meter sizes 1 inch and smaller to establish parity with the residential customers, as presented in Exhibit A;
- 9. Staff recommends eliminating the "Infrastructure" and "PCE/TCE" line item on the water utility bills, as was done for the wastewater utility bills on July 15, 2009;

- 10. Staff recommends adopting usage-based and flat monthly wastewater rates for residential and nonresidential customers as presented in Exhibit B effective immediately. For customers paying a usage-based water bill, the wastewater monthly rate will be determined based upon their average monthly water usage from the previous December, January, and February. Wastewater monthly rates will be recalculated each year and put into effect beginning with July billings each subsequent year;
- 11. The Council directed that notice of a hearing thereon be given to the property owners and water service and wastewater disposal utility customers in the City, with such notice to include, among other matters, the information required to be included pursuant to California law;
- 12. Pursuant to California Constitution, Article XIIIC and Government Code 53755, such notice has been mailed to those property owners and account holders, at least 45 days before the hearing, as evidenced by a Certificate of Mailing on file with the City Clerk;
- 13. The Council also directed that notice of a hearing thereon be given with such notice to include the information required to be included pursuant to Government Code section 54354.5;
- 14. Such notice has been published once each week for two weeks, in accordance with Government Code section 54354.5, in the Lodi News-Sentinel as evidenced by Proofs of Publication on file with the City Clerk;
- 15. On July 21, 2010, the City Council conducted said public hearing, at which time the City Council heard all objections and protests to the proposed usage-based and flat water and wastewater rates for residential commercial and industrial customers:
- 16. Written protests against the proposed usage-based and flat water and wastewater rates for residential, commercial and industrial customers were not presented by a majority of the property owners and water and wastewater utility customers; and
- 17. The proposed usage-based and flat water and wastewater rates for residential, commercial and industrial customers are not discriminatory or excessive, are sufficient under Government Code section 54515, comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the enterprise, comply with the provisions of Title 5, Division 2, Chapter 6 of the Government Code, and are in compliance with all other applicable law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

<u>Section 1</u>. <u>Recitals</u>. The foregoing recitals are true and correct.

Section 2. <u>Levy of Charges</u>. Pursuant to Sections 13.08.010, 13.12.240, and 13.16.110 of the Lodi Municipal Code, the usage-based and flat water and wastewater rates for residential, commercial, and industrial customers as attached hereto as Exhibits A and B are hereby approved.

Subsequent Adjustments. As provided by Government Code Section 3. Section 53756, the rates shown in Exhibits A and B may be adjusted annually for a period of five years by resolution beginning January 2012 through January 2016 for water rates and July 2011 through July 2016 for wastewater rates, with Council approval following a public hearing, in an amount not to exceed the percentage change in the Engineering News Record (ENR) Twenty Cities Annual Average Index or other index as approved by the City Council by resolution. The adjustment shall not be made if it causes rates to exceed the cost of service and Notice of the Adjustment shall be mailed to each account not less than 30 days before the effective date of the adjustment.

Effective Date. This resolution shall take effect from and after the Section 4. date of its passage.

Dated: July 21, 2010 ______

I hereby certify that Resolution No. 2010- was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 21, 2010, by the following vote:

AYES:

COUNCIL MEMBERS -

NOES:

COUNCIL MEMBERS -

ABSENT:

COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

RANDI JOHL City Clerk

Exhibit City of Lodi -- Water Utility
Current and Proposed Water Rates

	Cu	rrent (1)	Ja	n. 2011	Ja	n. 2012	Ja	n. 2013	Ja	n. 2014
Flat Rates (\$/month)										
Percent Increase				2		4		4		4
Single Family Residential Un	it (\$	/month)								
1 Bedroom	\$	27.98	\$	28.54	\$	29.68	\$	30.87	\$	32.10
2 Bedroom	\$	33.61	\$	34.28	\$	35.65	\$	37.08	\$	38.56
3 Bedroom	\$	40.28	\$	41.09	\$	42.73	\$	44.44	\$	46.22
4 Bedroom	\$	48.40	\$	49.37	\$	51.34	\$	53.39	\$	55.53
5 Bedroom	\$	58.06	\$	59.22	\$	61.59	\$	64.05	\$	66.61
6 Bedroom	\$	69.67	\$	71.06	\$	73.90	\$	76.86	\$	79.93
7 Bedroom	\$	83.58	\$	85.25	\$	88.66	\$	92.21	\$	95.90
Multi-Family Residential Uni	t (\$/	month)								
1 Bedroom	\$	24.02	\$	24.50	\$	25.48	\$	26.50	\$	27,56
2 Bedroom	\$	28.81	\$	29.39	\$	30.57	\$	31.79	\$	33.06
3 Bedroom	\$	34.57	\$	35.26	\$	36.67	\$	38.14	\$	39.67
Metered Water Rates										
Service Charge (\$/month)										
Single Family Residential (2)										
Up to 3/4" Meter	\$	22.25	\$	22.70	\$	23.60	\$	24.55	\$	25.55
1" Meter	\$	36.15	\$	36.85	\$	38.30	\$	39.85	\$	41.45
11/2" Meter	\$	70.60	\$	72.00	\$	74.90	\$	77.90	\$	81.00
2" Meter	\$	112.10	\$	114.35	\$	118.90	\$	123.65	\$	128.60
Multi-Family and Non-Reside	ntial	(3)	-							
5/8" Meter	\$	25.64	\$	22.70	\$	23.60	\$	24.55	\$	25.55
3/4" Meter	\$	28.17	\$	22.70	\$	23.60	\$	24.55	\$	25.55
1" Meter	\$	42.27	\$	36.85	\$	38.30	\$	39.85	\$	41.45
11/2" Meter	\$	56.35	\$	57.50	\$	59.80	\$	62.20	\$	64.70
2" Meter	\$	70.45	\$	71.85	\$	74.70	\$	77.70	\$	80.80
3" Meter	\$	98.63	\$	100.60	\$	104.60	\$	108.80	\$	113.15
4" Meter	\$	126.80	\$	129.35	\$	134.50	\$	139.90	\$	145.50
6" Meter	\$	183.16	\$	186.80	\$	194.25	\$	202.00	\$	210.10
8" Meter	\$	239.48	\$	244.30	\$	254.05	\$	264.20	\$	274.75
10" Meter	\$	295.83	\$	301.75	\$	313.80	\$	326.35	\$	339.40
Water Usage Rates (\$/CCF)	·		•							
Single Family Residential (2)										
Tier 1-0 to 10 CCF/month	\$	0.86	\$	0.88	\$	0.92	\$	0.96	\$	1.00
Tier 2 - 11 to 50 CCF/mon	\$	1.29	\$	1.32	\$	1.37	\$	1.42	\$	1.48
Tier 3 - Over 50 CCF/mont	\$	1.71	\$	1.74	\$	1.81	\$	1.88	\$	1.96
Multi-Family and Non-Reside	ntial	(3)								
All Water Usage	\$	0.789	\$	0.88	\$	0.92	\$	0.96	\$	1.00

⁽¹⁾ Revised July 1, 2008.
(2) Current residential metered rates are revenue neutral and were approved for comparative billing purposes only.
(3) Proposed multi-family and non-residential rates improve equity with single family water rates.

Exhibit City of Lodi -- Wastewater Utility **Current and Proposed Wastewater Rates**

Current and Proposed Wastewater Rates Current (1) July 2010								
Residential		(1)		,				
Percent Increase				12				
Flat Rates (\$/month)								
1 Bedroom	\$	20.81	\$	23.31				
2 Bedroom	\$	27.74	\$	31.07				
3 Bedroom	\$	34.68	\$	38.84				
4 Bedroom	\$	41.61	\$	46.61				
5 Bedroom	\$	48.55	\$	54.37				
6 Bedroom	\$	55.48	\$	62.14				
7 Bedroom	\$	62.42	\$	69.91				
Usage-Basec Rates (2								
Service Charge (\$/month)	\$	18.95	\$	21.22				
Usage Charge (\$/CCF) (3)	\$	2.15	\$	2.41				
Non-Residential (\$/month)								
Moderate Strength (per SSU)	\$	27.74	\$	31.07				
High Strength								
Flow (per MG, annual basis)	\$	2,808.88	\$	3,145.95				
BOD (per 1,000 lbs, annual basis)	\$	463.54	\$	519.16				
SS (per 1,000 lbs, annual basis)	\$	289.83	\$	324.61				
Grease Interceptor & Septic Holding Tan	k							
Waste within City Limits (per 1,000 gal.		245.44	\$	274.89				
Septic (only) Holding Tank Waste								
Outside City Limits (per 1,000 gal.)	\$	521.03	\$	583.55				
Disposal to Storm Drain System (per MC	•	257.80	\$	288.74				
Disposar to otorin Drain Gystein (per int	Ψ	237.00	Ψ	200.7 7				
Disposal to Industrial System (4)								
Flow (per MG, annual basis)		2,218.78	\$	2,485.03				
BOD (per 1,000 lbs, annual basis)	\$	20.34	\$	22.78				
Winery Wastewater (per 1,000 gal.)	\$	248.53	\$	278.35				

- (1) Revised July 16, 2009.

- (2) Current revenue neutral rates were approved for comparative billing purposes only.
 (3) Winter water usage determined as average monthly usage from December through February.
 (4) 2007 Industrial System rates are shown. Rates are calculated annually per LMC Sec. 13.12.210.

City of Lodi -- Wastewater Utility

Current and Proposed Water Usage-Based Residential Was | ewater Rates

Current and Proposed Water C	roug	o Bacca ite		oritiai viao
	Cu	rrent (1)	Jι	ıly 2010
Monthly Fixed Service Charge	\$	18.95	\$	21.22
WastewaterFlow Charge	\$	2.15	\$	2.41
Based on Winter Water Us			Ψ	2.11
	J	()		
Monthly Wastewater Bills (for	vario	ous usages)	
Winter Water Use (CCF)				
0	\$	18.95	\$	21.22
1	\$	21.10	\$	23.63
2	\$	23.25	\$	26.04
3	\$	25.40	\$	28.45
4	\$	27.55	\$	30.86
5	\$	29.70	\$	33.27
6	\$	31.85	\$	35.68
7	\$	34.00	\$	38.09
8	\$	36.15	\$	40.50
9	\$	38.30	\$	42.91
10	\$	40.45	\$	45.32
11	\$	42.60	\$	47.73
12	\$	44.75	\$	50.14
13	\$ \$	46.90	\$	52.55
14	\$	49.05	\$	54.96
15	\$	51.20	\$	57.37
16	\$	53.35	\$	59.78
17	\$	55.50	\$	62.19
18	\$	57.65	\$	64.60
19	\$	59.80	\$	67.01
20	\$	61.95	\$	69.42

⁽¹⁾ Estimated to be revenue neutral relative to the wastewater rates implemented in July 2009.

⁽²⁾ Winter water usage determined as average monthly usage from December through February.